

Unaudited Financial Statements for the Year Ended 30 September 2017

for

H & R Gray Haulage Limited

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H & R Gray Haulage Limited

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for the Year Ended 30 September 2017

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H & R Gray Haulage Limited (Registered number: SC189021)

Balance Sheet
30 September 2017

	Notes	30.9.17 £	30.9.16 £
FIXED ASSETS			
Tangible assets	4	2,167,116	2,117,080
Investments	5	<u>31,280</u>	<u>31,280</u>
		<u>2,198,396</u>	<u>2,148,360</u>
CURRENT ASSETS			
Stocks		210,721	186,726
Debtors	6	1,215,215	1,237,927
Cash at bank and in hand		<u>320</u>	<u>802</u>
		1,426,256	1,425,455
CREDITORS			
Amounts falling due within one year	7	<u>(2,424,339)</u>	<u>(2,479,002)</u>
NET CURRENT LIABILITIES		<u>(998,083)</u>	<u>(1,053,547)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,200,313	1,094,813
CREDITORS			
Amounts falling due after more than one year	8	(728,666)	(658,295)
PROVISIONS FOR LIABILITIES		<u>(46,220)</u>	<u>(51,705)</u>
NET ASSETS		<u>425,427</u>	<u>384,813</u>
CAPITAL AND RESERVES			
Called up share capital		140,100	140,100
Retained earnings		<u>285,327</u>	<u>244,713</u>
		<u>425,427</u>	<u>384,813</u>

The notes form part of these financial statements

H & R Gray Haulage Limited (Registered number: SC189021)

Balance Sheet - continued
30 September 2017

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2017 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 30 November 2017 and were signed by:

A handwritten signature in black ink, appearing to read 'R A Gray', with a long horizontal flourish extending to the right.

Mr R A Gray - Director

The notes form part of these financial statements

H & R Gray Haulage Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

1. **STATUTORY INFORMATION**

H & R Gray Haulage Limited is a private company, limited by shares, domiciled in Scotland, registration number SC189021. The registered office is Unit 4A-D Bandeath Industrial Estate, Throsk, Stirling, FK7 7NP.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods and services in respect of haulage work, excluding value added tax. Sales are recognised at the point at which the goods are delivered or the service is complete.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Long leasehold	-	5% straight line
Plant and machinery	-	10% and 50% straight line
Motor vehicles	-	10-33% straight line
Computer equipment	-	25% straight line

Tangible fixed assets are stated at cost less depreciation. Cost represent purchase price together with any incidental costs of acquisition.

The directors review the residual value of all tangible fixed assets using their knowledge of the industry and depreciate the assets to these residual values.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is represented by purchase price.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are discounted where the time value of money is material.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

H & R Gray Haulage Limited

Notes to the Financial Statements - continued
for the Year Ended 30 September 2017

2. ACCOUNTING POLICIES - continued

Going concern

The financial statements of the company have been prepared on the assumption that the company will continue as a going concern. The application of the going concern basis is based on the assumption that the company will be able to realise its assets and settle its liabilities in the normal course of business.

As at 30 September 2017, the current liabilities of the company exceeded its current assets by £1,000,557. In addition, the Clydesdale Bank overdraft facilities are only in place until April 2018 which is less than 12 months from the date of approval of the accounts. Alternative bankers have offered to replace the invoice discounting facility and this is being formalised. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

The director of the company is of the opinion that the preparation of the financial statements of the company on a going concern basis remains appropriate given the following measures which have been taken or will be taken by the company to mitigate the existence of material uncertainty on going concern and to meet its obligations falling due within the next 12 months, which include amongst others:

1. The arrangement of alternative finance to replace the Clydesdale Bank overdraft facilities and allow the company to meet its liabilities as they fall due.
2. Maximising the cash which can be realised from assets owned by the company, whether that be by sale or finance of fixed assets and stock, or by realisation of debtors.
3. The director has introduced personal funds to meet short term cash flow requirements.
4. The director is actively engaged in improving the profitability of the company through income generation and cutting costs.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 69 (2016 - 67).

H & R Gray Haulage Limited

Notes to the Financial Statements - continued
for the Year Ended 30 September 2017

4. **TANGIBLE FIXED ASSETS**

	Long leasehold £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 October 2016	499,728	314,274	2,363,102	3,962	3,181,066
Additions	-	87,341	406,409	6,589	500,339
Disposals	-	(7,500)	(295,562)	-	(303,062)
At 30 September 2017	<u>499,728</u>	<u>394,115</u>	<u>2,473,949</u>	<u>10,551</u>	<u>3,378,343</u>
DEPRECIATION					
At 1 October 2016	98,841	160,964	804,000	181	1,063,986
Charge for year	24,799	44,480	249,273	1,828	320,380
Eliminated on disposal	-	(4,875)	(168,264)	-	(173,139)
At 30 September 2017	<u>123,640</u>	<u>200,569</u>	<u>885,009</u>	<u>2,009</u>	<u>1,211,227</u>
NET BOOK VALUE					
At 30 September 2017	<u>376,088</u>	<u>193,546</u>	<u>1,588,940</u>	<u>8,542</u>	<u>2,167,116</u>
At 30 September 2016	<u>400,887</u>	<u>153,310</u>	<u>1,559,102</u>	<u>3,781</u>	<u>2,117,080</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 October 2016	220,847	2,068,744	2,289,591
Additions	84,705	400,590	485,295
Disposals	-	(281,962)	(281,962)
Transfer to ownership	(62,720)	(40,000)	(102,720)
At 30 September 2017	<u>242,832</u>	<u>2,147,372</u>	<u>2,390,204</u>
DEPRECIATION			
At 1 October 2016	96,547	648,147	744,694
Charge for year	36,037	231,046	267,083
Eliminated on disposal	-	(158,664)	(158,664)
Transfer to ownership	(42,462)	(24,403)	(66,865)
At 30 September 2017	<u>90,122</u>	<u>696,126</u>	<u>786,248</u>
NET BOOK VALUE			
At 30 September 2017	<u>152,710</u>	<u>1,451,246</u>	<u>1,603,956</u>
At 30 September 2016	<u>124,300</u>	<u>1,420,597</u>	<u>1,544,897</u>

H & R Gray Haulage Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2017**

5. FIXED ASSET INVESTMENTS

	Other investments £
COST	
At 1 October 2016 and 30 September 2017	<u>31,280</u>
NET BOOK VALUE	
At 30 September 2017	<u>31,280</u>
At 30 September 2016	<u>31,280</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.17 £	30.9.16 £
Trade debtors	1,132,899	1,079,141
Amounts owed by related parties	-	99,716
Other debtors	4,207	-
Directors' current accounts	-	8,344
Prepayments and accrued income	<u>78,109</u>	<u>50,726</u>
	<u>1,215,215</u>	<u>1,237,927</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.17 £	30.9.16 £
Bank loans and overdrafts	390,915	403,723
Hire purchase contracts	393,042	432,965
Trade creditors	480,035	341,976
Amounts owed to related parties	67,534	32,639
Tax	24,390	18,608
Social security and other taxes	64,467	183,148
VAT	111,580	191,173
Other creditors	43,567	36,114
Invoice discounting account	766,330	788,773
Directors' current accounts	32,128	-
Accruals and deferred income	<u>50,351</u>	<u>49,883</u>
	<u>2,424,339</u>	<u>2,479,002</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.9.17 £	30.9.16 £
Hire purchase contracts	683,111	610,408
Amounts owed to related parties	<u>45,555</u>	<u>47,887</u>
	<u>728,666</u>	<u>658,295</u>

H & R Gray Haulage Limited

Notes to the Financial Statements - continued for the Year Ended 30 September 2017

9. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.17	30.9.16
	£	£
Bank overdrafts	390,915	162,019
Bank loans	-	241,704
Hire purchase contracts	1,076,153	1,043,373
Invoice discounting account	766,330	788,773
	<u>2,233,398</u>	<u>2,235,869</u>

Clydesdale Bank PLC have a standard security and floating charge over the assets of the company. They also hold a security over the assets of the family farm Messrs H&R Gray.

Hire purchase contracts are secured on the assets to which they relate.

10. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 September 2017 and 30 September 2016:

	30.9.17	30.9.16
	£	£
Mr R A Gray		
Balance outstanding at start of year	8,344	-
Amounts advanced	-	8,344
Amounts repaid	(8,344)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>8,344</u>

11. RELATED PARTY DISCLOSURES

Mrs J Gray Shareholder

Mrs J Gray has been repaid £3,873 with the year-end balance totalling £49,780 (2016: £52,111). Interest was charged during the year of £1,541 (2016: £1,541).

Messrs H&R Gray Family business

During the year, this interest free loan was repaid by Messrs H&R Gray and no balance is outstanding at the year-end (2016: £99,716).

Stirling Trailer Centre Limited Common ownership

During the year, Stirling Trailer Centre Limited provided further funds of £34,896 to H&R Gray Haulage Limited leaving a year-end balance of £67,534 (2016: £28,414). This loan is interest free and repayable on demand.